

STATE OF VERMONT
PUBLIC SERVICE BOARD

Investigation into Public Access Line Rates of)
Verizon New England Inc. d/b/a Verizon) Docket No. 6882
Vermont)

PROTECTIVE AGREEMENT

THIS AGREEMENT is dated as of January 16, 2004 and is by and between Verizon New England Inc. d/b/a Verizon Vermont ("Verizon" or the "Company") and the Vermont Department of Public Service (the "Department").

WHEREAS, the Company and the Department desire to cooperate in the provision of information relevant to the issues to be litigated in the above-captioned Vermont Public Service Board ("Board") proceeding (the "Proceeding"), regarding the investigation into Verizon's Public Access Line rates;

WHEREAS, the parties to the Proceeding are the Company, the Department and the New England Public Communications Council, Inc. ("Parties");

WHEREAS, the Company has information pertinent to the Proceeding that it has been, or may be, asked to provide to the Department, which the Company believes could result in financial and/or competitive harm to the Company if it is required to disclose such information to the public, and which information the Company believes to be proprietary, privileged, confidential, or in the nature of a trade secret (which information is referenced herein as "Allegedly Confidential Information" and is specifically described on Schedule I hereto, which Schedule may be amended only in accordance with the terms of this Agreement);

WHEREAS, the Company desires to disclose Allegedly Confidential Information only to Parties that have executed Schedule IIa or Schedule IIb, as appropriate, to this Agreement or, in certain situations, only to the Board or to the Department for review in accordance with this Agreement; and

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WHEREAS, the Company and the Department have agreed to the procedures established in this Agreement for the disclosure of Allegedly Confidential Information to the Parties and/or the Board and to provisions for holding such Allegedly Confidential Information in confidence;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Department hereto agree as follows:

1. If the Company seeks to place information under the Protective Agreement, it shall file an averment, as described in Paragraph 2 of the Protective Order, which is attached as Schedule IV to this Agreement, with the Department. If the Department agrees to treat specific information to be provided by the Company in the Proceeding as Allegedly Confidential Information, the Company will submit to the Board and all Parties a copy of Schedule I, as from time to time revised in accordance with the terms of this Agreement, identifying each such item of Allegedly Confidential Information and signed or initialed by the Department to evidence its agreement to treat such item as Allegedly Confidential Information. This Agreement applies only to that information that the Company and the Department agree will be treated as Allegedly Confidential Information listed on Schedule I. Schedule I may be amended only by agreement of the Company and the Department. Upon agreement of the Department to Schedule I or an amendment thereto, the Company shall file the same averment, previously filed with the Department, with the Board as required by the Protective Order, which is attached as Schedule IV to this Agreement. If the Department does not agree to treat specific information to be provided by the Company as Allegedly Confidential Information, the Company may request a hearing before the Board by seeking a protective order as provided under Vermont Rule of Civil Procedure 26(c). The Company shall file its request in writing with the Board and the Parties within seven (7) business days of its receipt of a denial by the Department of its request that such information be treated as Allegedly Confidential Information under this Agreement. During the seven-

day period, the information shall be treated as Allegedly Confidential Information under this Agreement. If the Company files a timely request with the Board and with the Parties, the information shall be treated as specified in Paragraph 14 of this Agreement.

2. The Department may obtain Allegedly Confidential Information by submitting to the Company's counsel Schedule IIa attached hereto, which incorporates by reference this Protective Agreement. If such a request is made for Allegedly Confidential Information, the Company, through its counsel, will provide one copy of such Allegedly Confidential Information to the Department or otherwise make such Allegedly Confidential Information available. The Department will afford access to the Allegedly Confidential Information only to its employees and consultants who have executed Schedule IIa and returned the executed Schedule IIa to the Company's counsel. The Department shall make only one copy of any Allegedly Confidential Information for each individual who has executed Schedule IIa, except as otherwise provided in Paragraph 4 herein.

3. A Party other than the Department may obtain Allegedly Confidential Information by submitting to the Company's counsel the Protective Agreement attached hereto as Schedule IIb and its request by Schedule III hereto. If such a request is made for Allegedly Confidential Information, the Company, through its counsel, will provide one copy of the Allegedly Confidential Information sought to such Party or otherwise will make such Allegedly Confidential Information available to such Party, except those documents or portions thereof excised based on legal objection and duly noted by counsel for the Company, including, but not limited to, objections based on relevance, privilege, or discovery that is burdensome, cumulative or requires disclosure of confidential commercial information or trade secrets. Each such Party will afford access to the Allegedly Confidential Information only to such employees, consultants, and other representatives who have executed Schedule IIb and are named in Schedule III to this Agreement and returned the executed Schedule IIb to the Company's counsel. A

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Party shall make only one copy of any Allegedly Confidential Information for each individual who has executed Schedule IIb, except as otherwise provided in Paragraph 4 herein.

4. Documents containing or incorporating Allegedly Confidential Information to be offered in evidence under seal may be copied as necessary for that purpose. The Parties' counsel, personnel, and consultants, who have agreed in writing to be bound by this Agreement, may take notes regarding such Allegedly Confidential Information, but only as necessary for preparation for proceedings in the Proceeding. Such notes shall be treated in the same way as the Allegedly Confidential Information from which the notes were taken and shall not be used for any purpose other than as specified herein.

5. No Party that has executed this Agreement, and no person representing such Party, that is afforded access to the Allegedly Confidential Information shall use the Allegedly Confidential Information for any purpose other than the purpose of preparation for and conduct of this Docket, including appeals of any order or ruling therein, and then solely as contemplated herein. Each such Party, and each such representative person, shall keep the Allegedly Confidential Information secure and shall not disclose it or afford access to it to any person not authorized by this Agreement to receive same. Nothing in this Agreement precludes the Department from using Allegedly Confidential Information obtained hereunder either to seek a Board investigation (provided that the Department continues to treat such Allegedly Confidential Information pursuant to the protective terms of this Agreement) or request that the Allegedly Confidential Information or similar information be provided by the Company in any other context.

6. Should the Department or any other Party receive a subpoena, or any request pursuant to any Vermont law regarding access to public records, for any document or information received from the Company pursuant to this Agreement, the Department or such other Party promptly shall notify counsel or other representative of the Company of the pendency of such subpoena or other request, and

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shall abide by the terms and conditions of this Agreement unless and until ordered otherwise by a court or administrative body of competent jurisdiction. Nothing in this Agreement shall limit or waive in any manner any rights that the Company may have under applicable law to seek protection against disclosure pursuant to a subpoena, a request for access to public records, or any other request for information.

7. If a Party wishes to prefile any testimony or exhibits that include or otherwise disclose Allegedly Confidential Information, that Party must give five (5) business days' advance notice to counsel for the Party that designated the information as Allegedly Confidential Information. Any Party may move the Board for an order that the testimony or exhibits be filed under seal or under other conditions to prevent unnecessary disclosure.

a. If such motion is filed within the five (5) business days' advance notice period, the proponent of the testimony and exhibits shall place them in a sealed record by filing such documents in sealed envelopes or other appropriate sealed containers on which shall be endorsed the caption and docket number of the proceeding, the nature of the contents (exhibit, report, etc.), and a statement that it shall not be opened or released from custody of the Clerk of the Board, except by Order of the Board or Hearing Officer. Notwithstanding such a statement, the members of the Board, and any employee or consultant specifically authorized by the Board to assist the Board in this proceeding and any Hearing Officer appointed to this Docket, may have access to such sealed Allegedly Confidential Information, but shall not disclose the contents of any such sealed information to any person who has not agreed to be bound by the Protective Agreement. The Board or Hearing Officer will then determine whether the proffered evidence should continue to be treated as confidential information and, if so, what protection, if any, may be afforded to such information.

b. If no such motion is filed by the end of the five (5) business days' advance notice period, the testimony and exhibits may be filed as a document available for public access.

8. At any hearing or conference in this proceeding, no witness may be questioned with respect to any Allegedly Confidential Information, unless examining counsel has provided advance notice to counsel for any Party or other person that designated the information as Allegedly Confidential Information. To the extent possible, such notice shall be given prior to the commencement of the hearing or conference. Any Party may move the Board for an order that the testimony be received *in camera* or under other conditions to prevent unnecessary disclosure. If such motion is made, the Board or Hearing Officer will then determine whether the testimony should be received *in camera* or subject to other protection.

9. In the event that the Board determines to afford protection to testimony, each Board stenographer or reporter shall be instructed to and shall start a separate transcription for testimony or discussion on the record of Allegedly Confidential Information. Such transcription shall be marked "Confidential" and sealed and filed with the Board, and copies of the same shall be made available only to those persons who have signed or agreed to be bound by this Agreement.

10. The Company may make a written request to the Department or other Party for the return of Allegedly Confidential Information. Such request shall be made within sixty (60) days after final decision, order, or judgment in this Docket, unless appeal from such decision, order, or judgment is taken, in which case the request shall be made within sixty (60) days after the conclusion of the appeal and any remand or further appeal therefrom. Within sixty (60) days of such a request by the Company, the Department and other Party shall: (a) return the Allegedly Confidential Information to the Company's counsel, except for those portions of the Allegedly Confidential Information which have been made public; (b) cause its employees and consultants to destroy any notes taken concerning, or any documents or information in any form incorporating, Allegedly Confidential Information which has not been made public; and (c) advise the Company in writing that the requirements of this

Paragraph have been met. Notwithstanding the foregoing, nothing in this Paragraph shall require the Department to destroy notes, documents, or information in violation of statute.

11. No signatory hereto shall assign to any other person its rights or obligations hereunder, and any such assignment by any signatory of the rights and obligations hereunder shall be null and

12. An individual's access to Allegedly Confidential Information ceases upon termination of employment with a Party, and any individual who terminates employment with a Party who has executed this Agreement or Schedule IIa or Schedule IIb shall continue to be bound by its terms.

13. This Agreement is made under and shall be governed by the laws of the State of Vermont.

14. This Agreement shall in no way be deemed to constitute any waiver of the rights of any Party to the Proceeding. The foregoing provisions of this Agreement notwithstanding, any Party to the Proceeding may at any time, to the full extent allowable by applicable law, contest any assertion or objection or appeal any finding that specific information is or should be Allegedly Confidential Information or that it should or should not be disclosed or be subject to the protective requirements of this Agreement. The Parties hereto retain the right to question, challenge, and object to the admissibility of any and all Allegedly Confidential Information furnished by the Company under this Agreement on any available grounds, including, but not limited to, competency, relevancy, and materiality. Any Party may at any time seek by appropriate pleading to have Allegedly Confidential Information submitted under this Agreement, or under a protective order issued by the Board or Hearing Officer pursuant to this Agreement, removed from the coverage of this Agreement or the

15 In the event that the Board or a Hearing Officer in the Proceeding should rule that any information is not appropriate for inclusion in a sealed record, or should be disclosed to a Party where

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the Company objects to such disclosure under Paragraph 3 of this Agreement, the Parties agree that, at the request or upon the motion of the Company seeking protection of such information from disclosure, such information will not be disclosed until the latter of five (5) business days after the Board or Hearing Officer so orders, or, if the Company files an interlocutory appeal or request a stay of such order, the date upon which such appeal or request is decided, provided, however, that such period of time may be extended in accordance with any stay ordered by the Board or a reviewing court.

16. The Parties promptly will submit to the Board a Proposed Protective Order in the form attached hereto as Schedule IV that, if adopted, will set forth the procedure for treating Allegedly Confidential Information in a sealed record.

17. Each Party warrants that it will act in good faith and will not do anything to deprive any other Party of the benefit of this Agreement.

18. This Agreement may be amended or modified only by a written document signed by the Parties hereto.

19. The Parties have entered into this Agreement to expedite the production of information, minimize the time spent in discovery disputes, and facilitate the progress of this Proceeding to the fullest extent possible. Entry into this Agreement shall not be construed as an admission by any Party regarding the scope of the Party's statutory right to information, nor shall it be construed as a waiver of the right to raise any and all appropriate confidentiality issues in future dockets.

20. Information that is designated by the Company as Allegedly Confidential Information pursuant to this Agreement that a Party also obtains independent of this Agreement is not subject to this Agreement.

21. The Company shall not seek the disqualification of any employee, consultant, or other representative of the Department as to any authorized Department activity on the grounds that such person reviewed information provided hereunder.

Date: January 16, 2004

VERIZON NEW ENGLAND INC.
d/b/a VERIZON VERMONT

By: Linda M. Ricci
Linda M. Ricci, Esq.

VERMONT DEPARTMENT OF
PUBLIC SERVICE

By: _____
Sarah Hofmann, Esq.

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January 16, 2004

Date: January 16, 2004

VERIZON NEW ENGLAND INC.
d/b/a VERIZON VERMONT

By: _____
Linda M. Ricci, Esq.

VERMONT DEPARTMENT OF
PUBLIC SERVICE

By:  _____
Sarah Hofmann, Esq.

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January 16, 2004

STATE OF VERMONT
PUBLIC SERVICE BOARD

Schedule I

Investigation into Public Access Line Rates of)
Verizon New England Inc. d/b/a Verizon)
Vermont)
Docket No. 6882

DOCUMENTS TO BE TREATED AS
ALLEGEDLY CONFIDENTIAL INFORMATION

- 1.
- 2.
- 3.
- 4.

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PUBLIC SERVICE BOARD

VERMONT PUBLIC
SERVICE BOARD

Investigation into Public Access Line Rates of)
Verizon New England Inc. d/b/a Verizon)
Vermont)

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Schedule I

DOCUMENTS TO BE TREATED AS
ALLEGEDLY CONFIDENTIAL INFORMATION

1. Certain portions of testimony previously filed by Mr. David Behrle regarding payphone services before public utility agencies in Illinois, Indiana, and Michigan, which are responsive to NEPCC 2-1.
2. Redacted portions of Verizon Vermont's Response to NEPCC 2-53 and 2-62 concerning the geographic dispersion of business loops and the total number of Verizon payphones deployed in Vermont.
3. Redacted portions of Verizon Vermont's Response to NEPCC 2-69 concerning an equipment discount that is incorporated in Verizon Vermont's TSLRIC study.

Verizon Vermont Averment No. 1

Confidential Documents and Information

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Identification of Document or Information.

Certain portions of testimony previously filed by Mr. David Behrle regarding payphone services before public utility agencies in Illinois, Indiana, and Michigan, which are responsive to NEPCC 2-1.

Degree of Confidential Information

The material includes recent information that is competitively sensitive, relating to costs, retail revenue, and usage units in the provisioning of payphone services.

Confidentiality Factors.

- i. **Extent Information Known Outside Company**
The information is not known outside of the Company, with the exception of parties to the referenced actions in Illinois, Indiana, and Michigan concerning PAL rates, all of whom are bound by a protective agreement and/or protective order.
- ii. **Extent Information Known by Employees and Independent Contractors**
Certain individuals in the Finance, Legal, and Regulatory Department have access to this information as necessary to manage daily operations within Verizon and to assist with ongoing litigation.
- iii. **Measures Taken to Guard Secrecy**
The information is closely held by Verizon. Certain of the underlying inputs into the cost studies and their results are located in database(s) that are maintained by the costing and regulatory groups. Mr. Behrle's testimony, which incorporates such inputs and results, is maintained in the individual files of those employees involved in the Illinois, Indiana, and Michigan cases. Verizon has produced such information to individuals outside of the company only upon the execution of a protective agreement and/or issuance of a protective order.
- iv. **Value of Information to Company and Competitors**
The information is of value both to potential entrants to the market as well as to current payphone service providers in light of the fact that it permits these carriers to make competitive assessments concerning (among other things) Verizon's costs, retail revenue, and demand units in those states.
- v. **Amount of Money or Effort to Develop Information**
The information is unique to Verizon.

- vi. **Cost/Difficulty in Acquiring/Duplicating Information**
See above.
- vii. **Harm of Disclosure**
See above.

Time Period.

The information should be kept confidential for a period of 5 years.

Partial Disclosure or Redaction.

Redacted (public) versions of Mr. Behrle's testimony in Indiana and Michigan are attached to Verizon Vermont's Response to NEPCC 2-1. Because the majority of the substantive information reflected in Mr. Behrle's three-page testimony in Illinois is confidential, the testimony was designated as confidential in its entirety for purposes of the Illinois case and Verizon has not prepared a redacted version.

Other Factors.

None.

Verizon Vermont Averment No. 2

Confidential Documents and Information

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Identification of Document or Information

Information concerning the geographic dispersion of business loops and the total number of Verizon payphones deployed in Vermont. This information is responsive to NEPCC 2-53 and NEPCC 2-62.

Degree of Confidential Information

The material includes competitively sensitive information regarding specific company-level data and growth trends regarding Verizon payphone deployment and the area location of Verizon Vermont's business loop customers.

Confidentiality Factors

- i. **Extent Information Known Outside Company**
The information is not known outside of the Company.
- ii. **Extent Information Known by Employees and Independent Contractors**
Certain individuals in the Finance, Engineering, Legal, Product Management, and Regulatory Departments as well as certain individuals in Verizon Public Communications (with regard to Verizon payphone deployment) have access to this information as necessary to manage daily operations within Verizon and to assist with ongoing litigation.
- iii. **Measures Taken to Guard Secrecy**
The information is maintained in internal databases.
- iv. **Value of Information to Company and Competitors**
The information is of value both to potential entrants to the market as well as to current payphone service providers in light of the fact that it permits these carriers to make competitive assessments concerning Verizon's business service customers and Verizon payphone deployment.
- v. **Amount of Money or Effort to Develop Information**
The information is unique to Verizon.
- vi. **Cost/Difficulty in Acquiring/Duplicating Information**
See above.
- vii. **Harm of Disclosure**
See above.

Time Period

The information should be kept confidential for a period of 5 years.

Partial Disclosure or Redaction

The entirety of the Verizon Vermont's Response to NEPCC 2-53 is confidential. Verizon Vermont has prepared a redacted version of Verizon Vermont's Response to NEPCC 2-62, which excludes the confidential information.

Other Factors

None.

Verizon Vermont Averment No. 3

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Confidential Documents and Information

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Identification of Document or Information

Information regarding equipment pricing discount provided by a third-party vendor to Verizon Vermont, which is responsive to NEPCC 2-69.

Degree of Confidential Information

The material includes recent information that is competitively sensitive, which relates to an equipment discount that is incorporated in Verizon Vermont's TSLRIC study.

Confidentiality Factors

- i. **Extent Information Known Outside Company**
The information is not known outside of the Company, except for the third-party vendor from whom Verizon procures digital switching.
- ii. **Extent Information Known by Employees and Independent Contractors**
Certain individuals in the Finance and Regulatory Departments have access to this information as necessary to manage daily operations within Verizon and to assist with ongoing litigation.
- iii. **Measures Taken to Guard Secrecy**
The information is closely held by Verizon.
- iv. **Value of Information to Company and Competitors**
The information permits competing carriers to learn the discount provided by the third-party vendor to Verizon Vermont.

Amount of Money or Effort to Develop Information
The information is unique to the third-party vendor.
- vi. **Cost/Difficulty in Acquiring/Duplicating Information**
See above response to part (v).
- vii. **Harm of Disclosure**
See above response to part (v).

Time Period

The information should be kept confidential for a reasonable period.

Partial Disclosure or Redaction

Verizon Vermont has prepared a redacted version of its Response to NEPCC 2-69.

Other Factors

None.

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STATE OF VERMONT
PUBLIC SERVICE BOARD

Schedule IIa

Investigation into Public Access Line Rates of)
Verizon New England Inc. d/b/a Verizon) Docket No. 6882
Vermont)

I, _____ [name], serve as

_____ [title or advisory capacity] to the

Departm

of Vermont Public Service Board. In connection with work performed for the Department, I request to be given access to certain Allegedly Confidential Information of Verizon New England Inc. d/b/a Verizon Vermont (the "Company") under a Protective Agreement, dated as of January __, 2004, by and between the Company and the Department. A copy of that Protective Agreement has been delivered to me. I have read the Agreement and agree to comply with and be bound by its terms. I agree that this Schedule IIa does not authorize my access to the Allegedly Confidential Information until it is executed and delivered to counsel for the Company.

Name:

Signature:

Title:

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PUBLIC SERVICE BOARD

Schedule IIb

Investigation into Public Access Line Rates of)
 Verizon New England Inc. d/b/a Verizon) Docket No. 6882
 Vermont)

I, _____ [name], serve as
 _____ [title or advisory capacity] to
 _____ [Party] in the above-captioned proceeding
 before the State of Vermont Public Service Board. In connection with work performed for
 _____ [Party], I request to be given access to certain
 Allegedly Confidential Information of Verizon New England Inc. d/b/a Verizon Vermont (the
 "Company") under a Protective Agreement, dated as of January __, 2004, by and between the
 Company and the Vermont Department of Public Service. A copy of that Protective Agreement has
 been delivered to me. I have read the Agreement and agree to comply with and be bound by its terms.
 I agree that this Schedule IIb does not authorize my access to the Allegedly Confidential Information
 until it is executed and delivered to counsel for the Company.

Dated: _____

Name: _____

Signature: _____

Title: _____

STATE OF VERMONT
PUBLIC SERVICE BOARD

Schedule III

Investigation into Public Access Line Rates of)
Verizon New England Inc. d/b/a Verizon) Docket No. 6882
Vermont)

The undersigned Party hereby requests that the Allegedly Confidential Information described below be furnished pursuant to the Protective Agreement, dated as of January __, 2004, by and between Verizon New England Inc. d/b/a Verizon Vermont and the Vermont Department of Public Service to the following person on behalf of _____ [Party].

Name: _____

Address: _____

Description of Employment/Advisory Responsibilities:

Description of Allegedly Confidential Information to be Provided:

_____ (attach description as Schedule A, if necessary)

Such person has read the Protective Agreement, executed the form designated as Schedule IIa or IIb to that Agreement, and agrees that Schedule IIa or IIb does not authorize his/her access to the Allegedly Confidential Information until it is executed and delivered to the Company.

Name: _____

Signature: _____

Dated: _____